GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:88
ANSWERED ON:19.07.2002
REVIEW OF INDO-SRI LANKA TRADE AGREEMENT
AVSM, BRIG.(RETD.) KAMAKHYA PRASAD SINGH DEO

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the details of the free trade agreements between India and Sri Lanka;

(b) whether there is any proposal under consideration of the Government to hold meeting to review the India - Sri Lanka free trade agreement;

(c) if so, the details thereof; and

(d) the time by which it is expected to take place?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a) to (d) : A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO.88 FOR ANSWE
19TH JULY, 2002, REGARDING REVIEW OF INDO - SRI LANKA TRADE AGREEMENT.

(a) A Free Trade Agreement was signed between India and Sri Lanka on 28th December, 1998 with the objective of enhancing the trade and investment flows between the two countries. The Agreement envisages phasing out of tariff on all products except for a limited number of items in the Negative List, over a period of time. While India would complete the process of tariff elimination over a period of 3 years, Sri Lanka would achieve this over 8 years. India also allows imports of fixed quantities of tea and garments under the Tariff Rate Quota (TRQ) mechanism through the designated ports. The tariff concessions are available only when the Rules of Origin prescribed under the Agreement are fulfilled.

(b) to (d) Article XI of the India-Sri Lanka Free Trade Agreement provides for establishment of a Joint Ministerial Committee (JMC) to review the progress made in the implementation of the Agreement and to ensure that benefits of trade expansion emanating from this Agreement accrue to both countries equitably. The First meeting of the Joint Ministerial Committee (JMC) under the India Sri Lanka Free Trade Agreement was held on 7th June, 2002 in New Delhi.